



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/022,957	12/18/2001	Wayne M. Doran	9852.00	7152

26889 7590 02/25/2005

MICHAEL CHAN
NCR CORPORATION
1700 SOUTH PATTERSON BLVD
DAYTON, OH 45479-0001

EXAMINER

WINTER, JOHN M.

ART UNIT	PAPER NUMBER
----------	--------------

3621

DATE MAILED: 02/25/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/022,957

Applicant(s)

DORAN, WAYNE M.

Examiner

John M Winter

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 December 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Claims 1-20 are pending.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Response to Arguments

The Applicant's arguments entered on December 10, 2004 have been fully considered.

The Applicant states that claims previously rejected under 35 USC 101 satisfy the "two pronged" test and are within the technological arts,

The Examiner responds that as an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

Art Unit: 3621

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present case, claim 1 only recites an abstract idea. The recited steps of merely obtaining, over a communication link, a request for a certified check; verifying that issuance of the check is authorized under law; and issuing a validation number for the check. does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to facilitate a transaction.

The Examiner states that the claimed invention is disclosed by the newly discovered reference Troy et al (US Patent 4,637,643). See following rejection.

Claim Rejections - 35 USC §101

Claims 1-9 and 17-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claim 1 only recites an abstract idea. The recited steps of merely obtaining, over a communication link, a request for a certified check; verifying that issuance of the check is authorized under law; and issuing a validation number for the check. does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to facilitate a transaction. (the Examiner notes that the term "communication link" does not imply the use of technology because this might be construed as written (pencil and paper) or verbal communication.)

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention allows obtaining a request for a certified check (i.e., repeatable) a issuing a validation number for said check (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 1 is deemed to be directed to non-statutory subject matter.

All that is necessary to make a sequence of operational steps in a statutory process within 35 U.S.C. 101 is that it be in the technological arts so as to be in concordance with the Constitutional purpose to promote the progress of "useful arts" *In re Musgrave*, 431 F.2d 882 167 USPQ 280 (CCPA 1970)

A claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result: i.e. the method recites a step or act of producing something that is concrete, tangible and useful. *See AT&T v. Excel Communications Inc.*, 172 F3d at 1358, 50 USPQ2d at 1452.

Art Unit: 3621

Claims 2-9 and 17-20 are dependant on claim 1 and are rejected for at least the same reasons.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1- 13 are rejected under 35 U.S.C. 102(e) as being unpatentable over Chang et al. (US Patent 5,884,288) in view of Bozeman (US Patent 6,754,640) and further in view of Troy et al. (US Patent 4,637,634).

As per claim 1,

Chang et al. ('288) discloses a method of operating a financial institution, comprising: obtaining, over a communication link, a request for a certified check;(Figure 8B)

Chang et al. ('288) does not explicitly disclose verifying that issuance of the check is authorized under law. Bozeman ('640) discloses verifying that issuance of the check is authorized under law. (Figure 5B) It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Chang et al. ('288). method with the Bozeman ('640) method in order to prevent illegal transactions from ocuring.

Chang et al. ('288) does not explicitly disclose issuing a validation number for the check. Troy ('634) discloses issuing a validation number for the check. (Abstract) It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Chang et al. ('288). method with the Troy ('634) method in order to prevent illegal transactions from occurring.

As per claim 2,

Chang et al. ('288) discloses a method according to claim 1, wherein the request identifies a specific bank account.(Figure 5B)

As per claim 3,

Chang et al. ('288) discloses a method according to claim 1, wherein the communication link comprises the Internet.(Column 5, lines 22-34)

As per claim 4,

Chang et al. ('288) discloses a method according to claim 1,

Art Unit: 3621

wherein the process of verifying comprises verifying that the request was made by a party authorized to write checks on the specific account. (Column 6, lines 62-67- column 7, lines 1-8)

As per claim 5,
Chang et al. ('288) discloses a method according to claim 4,
wherein the process of verifying further comprises verifying that the specific account contains funds sufficient to cover the check. (Figure 7)

As per claim 6,
Chang et al. ('288) discloses a method according to claim 1,
wherein the validation number did not exist on the check prior to the request. (Column 8, lines 4-12)

As per claim 7,
Chang et al. ('288) discloses a method according to claim 1,
wherein the certified check contains the following information: date; account number of the specific account; and symbols identifying a drawee bank which maintains custody of the specific account (Column 7, lines 47-56)

Official Notice is taken that "including a Uniform Resource Locator, URL" is common and well known in prior art in reference to network transactions. It would have been obvious to one having ordinary skill in the art at the time the invention was made to utilize a URL in order to provide the payee with a reference to the payors bank.

As per claim 8,
Chang et al. ('288) discloses a method according to claim 1, and further comprising:
deriving a validation number for the certified check. (Column 8, lines 4-12)

As per claim 9,
Chang et al. ('288) discloses a method according to claim 8, and further comprising:
applying symbols to the certified check which indicate the validation number. (Column 8, lines 4-12)

As per claim 10,
Chang et al. ('288) discloses a method comprising:
receiving from a party over the Internet a request for a certified check and a monetary amount of the check; (Figure 8B)
ascertaining whether an account of the party contains funds sufficient to cover the certified check and, if so, listing over the Internet a validation number to the party. (Figure 7)

Chang et al. ('288) does not explicitly disclose authenticating identity of the party. Bozeman ('640) discloses authenticating identity of the party. (Figure 5B) It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Chang et al. ('288). method with the Bozeman ('640) method in order to prevent illegal transactions from occurring.

Chang et al. ('288) does not explicitly disclose issuing a validation number for the check

Art Unit: 3621

. Troy ('634) discloses issuing a validation number for the check. (Abstract) It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Chang et al. ('288). method with the Troy ('634) method in order to prevent illegal transactions from occurring.

As per claim 11,

Chang et al. ('288) discloses the method according to claim 10,

Official Notice is taken that "receiving one or more inquiries which present numbers, and if a number conforms to the validation number, issuing a confirmation" is common and well known in prior art in reference to network transactions. It would have been obvious to one having ordinary skill in the art at the time the invention was made to confirm a transaction in order to allow the payee to know that a transaction is pending.

As per claim 12,

Chang et al. ('288) discloses the method according to claim 11,

in which the inquiries are received in an Internet communication. (Figure 2)

As per claim 13,

As per claim 13,

Chang et al. ('288) discloses the method according to claim 11,

in which the confirmation is issued in an Internet communication.(Figure 2)

Claims 14-16 are rejected under 35 U.S.C. 102(e) as being unpatentable over Chang et al. (US Patent 5,884,288)

As per claim 14,

Chang et al. ('288) discloses a system, comprising:

means for receiving, from a requestor, a request over the Internet for issuance of a certified check;(Figure 8B)

means for establishing a reference character sequence for the check;(Column 8, lines 4-12)

means receiving a proposed character sequence over the Internet and, if the proposed character sequence matches the reference character sequence, issuing a confirmation signal.(Figure 7)

means for transmitting the reference character sequence to the requestor over the Internet; (Figure 7)

As per claim 15,

Chang et al. ('288) discloses a system according to claim 14,

wherein a web site receives the proposed character sequence.(Figure 2)

As per claim 16,

Chang et al. ('288) discloses a system according to claim 15,

wherein the web site issued the confirmation signal.(Figure 2)

Art Unit: 3621

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to John M Winter whose telephone number is (703) 305-3971. The examiner can normally be reached on M-F 8:30-6, 1st Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on (703)305-9768. The fax phone numbers for the organization where this application or proceeding is assigned are (763) 872-9306 for regular communications and (763) 872-9306 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

JMW

February 22, 2005



JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600